



# PREPROPOSAL STATEMENT OF INQUIRY

(RCW 34.05.310)

CR-101 (7/22/01)

Do **NOT** use for expedited rule making

**Agency:** Department of Labor & Industries

**Subject of possible rule making:**

(1) Workers' compensation employer, worker, and health care provider fraud and abuse following the enactment of Chapter 243, Laws of 2004 (ESHB 3188). Possible rules include those elaborating (a) Liability of general construction contractors for workers' compensation premiums owed by their subcontractors; (b) Liability of individuals for the unpaid workers' compensation premiums of a dissolved company's worker's compensation premiums; (c) When a person or entity is a successor to an employer who owes workers' compensation premiums; (d) Defining terms necessary to implement to "willful misrepresentation by a workers' compensation claimant or beneficiary that could result in penalties (e) When liens would be imposed on health care providers that have not repaid an overpayment after a final order;

(2) Immediate suspensions of health care providers following the enactment of Chapter 259, Laws of 2004 (SSB 6428); and

(3) The Department may also update rules regarding employer audits and recordkeeping and how premiums are estimated when employers fail to maintain adequate records or cooperate with department auditors.

The Department may promulgate rules implementing the two statutes separately, but every effort will be made to coordinate the hearings and comment periods to facilitate participation by those affected.

**(a) Statutes authorizing the agency to adopt rules on this subject:** Rules implementing Chapter 243, Laws of 2004 (ESHB 3188) are authorized by Section 10 of the Act; rules implementing Chapter 259, Laws of 2004 (SSB 6428) are authorized by RCW 51.04.030 (1).

**(b) Reasons why rules on this subject may be needed and what they might accomplish:** This rulemaking would assist in the implementation of ESHB 3188 and SSB 6428 passed by the Legislature in the 2004 session.

**(c) Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:**

Board of Industrial Insurance Appeals (BIIA)—while the BIIA does not "regulate this subject" it reviews L&I's decision upon appeal. L&I will keep the BIIA informed of these rulemaking developments.

Department of Health (DOH) licensing and disciplinary boards. L&I will keep DOH informed of rulemaking developments related to provider immediate suspensions.

**(d) Process for developing new rule (check all that apply):**

☐ Negotiated rule making

☐ Pilot rule making

☐ Agency study

☒ Other (describe) Parties interested in participating in the development of these rules may contact the

person listed below. The public may also participate by providing written comments during the comment period or giving oral testimony at public hearings.

**(e) How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:**

Doric Olson  
Department of Labor & Industries  
Insurance Services Division  
P.O. Box 44100  
Olympia, WA 98504-4100  
E-mail: OLSD235@LNI.wa.gov  
Phone: (360) 902-6639; Fax: (360) 902-4940

CODE REVISER USE ONLY

**NAME (TYPE OR PRINT)**

Paul Trause

**SIGNATURE**

**TITLE**

Director

**DATE**

April 30, 2004

**WSR# 04-10-044**